GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1253
ANSWERED ON:02.05.2016
Impact of New UK Immigration Law on Indians
Arunmozhithevan Shri A.;Sundaram Shri P.R.

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Indians in the United Kingdom (UK) are likely to be affected adversely by the new immigration law promulgated in that country and if so, the salient features of the new law along with its impact on Indian immigrants;
(b) whether these changes are likely to hit professionals living and working in UK on a Tier-2 visa and if so, the details in this regard;
(c) whether the Government has taken up this issue with the UK Government; and
(d) if so, the details thereof and the response of the UK Government thereto?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) & (b):In 2012, the UK Government had made certain changes to the Immigration Rules which would affect the settlement of non-European Economic Area (EEA) workers with Tier 2 visas based on the recommendations of the UK Migration Advisory Committee (MAC).MAC is a non-statutory and non-departmental public body comprising of economists and migration experts which was commissioned in 2015 by the UK Government to advise on significantly reducing the level of economic migration from outside the EU. One of those changes, that is made effective from 6 April 2016, is that all skilled non-EEA workers with Tier 2 visas, except certain exempted categories, will only be eligible to stay in the UK permanently if they are earning at least Â£35,000 per annum. The changes will affect Tier 2 migrants who obtained their visa under the Immigration Rules in force since April 2011 and want to apply for settlement in the UK after 5 years. In effect, therefore, the settlement pay threshold of Â£35,000/- will affect persons applying for permanent settlement after April 2016. The settlement pay threshold will not apply to Tier 2 (General) workers whose professionals come under the Shortage Occupation List; or to those working as scientists or researchers doing 'PhD' level jobs. Following consultations with various stakeholders, the UK Government temporarily added nurses to the shortage occupation list which means that the Â£35,000 salary threshold for applying for settlement, announced in 2012, is not applicable for nurses.
In March 2016, the UK Government has announced its decision to accept majority of Migration Advisory Committee's new recommendations on changes to Tier 2 visa route for those undertaking skilled work in UK. The MAC had published its report on 19 January, 2016 with a number of key recommendations to the Government on the Tier 2 visa route. The proposed changes affect the ease of entry and the competitiveness of Indian IT and ITES companies in the UK by making the UK visa application process more expensive and difficult.The summary of changes proposed for Tier 2 visa along with the timelines are attached as Annexure A.
(c) & (d): Government of India has been taking up this issue consistently with the Government of UK including at the highest levels, urging the UK to not accept these recommendations in the interest of the bilateral trade in Services between India and UK and its adverse impact not only on Indian IT companies but also on the UK's own economy and competitiveness. This issue has been raised bilaterally in March, 2016 with UK Minister for Immigration during the visit of Indian delegation to UK.

****

Annexure A

Timing Policy

Autumn 2016 â€¢ Increase the Tier 2 (General) threshold to Â£25,000 for experienced workers, maintaining the minimum threshold of Â£20,800 for new entrants.
â€¢ Introduce exemptions from the increased Tier 2 (General) experienced threshold for nurses, medical radiographers, paramedics and teachers in mathematics, physics, chemistry, computer science, and mandarin. The exemption will end in July 2019.
â€¢ Increase the salary threshold to Â£30,000 for the Tier 2 (ICT) Short Term category.
â€¢ Reduce the salary requirement for the Tier 2 (Graduate Trainee) category from Â£24,800 to Â£23,000 and increase the number of places available to companies from 5 to 20 per year.
â€¢ Close the tier 2 (ICT) Skills Transfer category to new applications.
â€¢ Weight overseas graduates more heavily in the Tier 2 (General) monthly allocation rounds.
â€¢ Enable graduates to witch roles once they secure a permanent job.
â€¢ Remove the exemption for the Tier 2 (ICT) category paying the Immigration Health Surcharge.

April 2017
â€¢ Increase the Tier 2 (General) threshold to Â£30,000 for experienced workers.
â€¢ Close the Tier 2 (ICT) Short Term category to new applications.

â€¢ Introduce the Immigration Skills Charge.
â€¢ Reduce the high-earners' salary for Long-Term ICTs from Â£155,300 to Â£120,000.
â€¢ Remove the one year's experience requirement in the Long-Term category where the applicant is earning over Â£73,900.
â€¢ Introduce a waiver for the Resident Labour Market Test and prioritise Tier 2 (General) places where the visa grants(s) are in support of the relocation of a high-value business to the UK or, potentially, an inward investment project.
â€¢ Implement any recommendations as a result of the review of allowances under the Tier 2 (ICT) categories.